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Message Text

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PAGE 01 STATE 110456
ORIGIN COME-00

INFO OCT-01 NEA-10 EB-07 ISO-00 AGRE-00 /018 R

DRAFTED BY COM/OED/MEPD/JPHILBRICK/LW
APPROVED BY EB/OCA/CD/REDAY
COM/OED/MEPD/SMCONGER, DIRECTOR
STATE/NEA/PAB/MAUSTRIAN (PHONE)
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----------150424Z 007599 /10
P 142252Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY KABUL PRIORITY

UNCLAS STATE 110456

E.O. 11652: N/A

TAGS: BENC, BAGB, AF

SUBJECT: MAJOR PROJECT: AFGHAN SEED COMPANY PROJECT

REF: (A) USDOC WASHDC 5072; (B) KABUL 2042;
(C) MANILA 4724

1. MAJOR PROJECTS DIVISION, USDOC, DISCUSSED SUBJECT PROJECT WITH CHECCHI AND COMPANY AND LEARNED THAT CHECCHI AND COMPANY HAS BEEN INFORMED BY THE AFGHAN SEED COMPANY (ASC) THAT ITS CANDIDATE HAS BEEN RANKED FIRST FOR THE POSITION OF PROJECT ADVISOR IN CONNECTION WITH A LOAN MADE BY THE ASIAN DEVELOPMENT BANK TO AFGHANISTAN TO ASSIST IN THE DEVELOPMENT OF ASC. ASC HAS REQUESTED A CHECCHI FINANCIAL PROPOSAL BY MAY 25 AND THE COMMENCEMENT

OF SERVICES BY JUNE 15 IF THE PROPOSAL IS ACCEPTABLE.

2. CHECCHI CABLED ITS REPLY TO PRESIDENT SHIRZAI OF ASC
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PAGE 02 STATE 110456

AS FOLLOWS: QUOTE. DELIGHTED WITH YOUR TOP RANKING OF OUR CANDIDATE SAMAAN AND YOUR DESIRE TO COMPLETE CONTRACT ARRANGEMENTS EXPEDITIOUSLY. SAMAAN'S INITIAL BASE SALARY WILL BE 41,560 DOLLARS TO WHICH WILL BE ADDED DIFFERENTIAL OVERHEAD PROFIT AND OTHER COSTS. WE WILL

SUBMIT DETAILED COST PROPOSAL GENERALLY REFLECTING THE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

COST PRINCIPLES AND CONTRACT PRACTICES CONTAINED IN THE CONTRACT BETWEEN CHECCHI AND COMPANY AND THE AFGHAN FERTILIZER COMPANY WHICH STARTED IN JANUARY 1971 AND ENDED IN MARCH 1975.

3. AFC AND AID MISSION SHOULD HAVE COPIES OF THE AFC CONTRACT FOR YOU TO EXAMINE. WE PROPOSE COMMENCEMENT OF SERVICES WITHIN THREE WEEKS OF OPENING OF AN IRREVOCABLE LETTER OF CREDIT AT EUROPEAN AMERICAN BANKING CORPORATION, OR OTHER U.S. BANK, PROVIDED THAT A CONTRACT HAS BEEN SIGNED AND APPROVED NO LATER THAN MAY 31, 1977. WE ARE PREPARED TO SEND A CHECCHI REPRESENTATIVE TO KABUL

NEXT NEEK WITH A DETAILED COST PROPOSAL, A DRAFT CONTRACT AND FULL NEGOTIATING AUTHORITY. BEFORE DISPATCHING HIM, WE WOULD APPRECIATE RECEIVING A CABLE FROM YOU INDICATING THAT YOU ARE IN A POSITION TO COMPLETE CONTRACT ARRANGEMENTS AND COMMIT FUNDS SUCH THAT AN IRREVOCABLE LETTER OF CREDIT WILL BE IN PLACE NO LATER THAN FIVE WEEKS FOLLOWING SIGNING OF CONTRACT. OUR UNDERSTANDING IS THAT SETTING UP PAYMENT PROCEDURES MAY TAKE SOME TIME. DEPUTY MINISTER RAHEEM IS GENERALLY FAMILIAR WITH THE PROBLEMS AND PROCEDURES INVOLVED IN TRANSFERRING FUNDS TO U.S. BANKS. DR. NAWABI AND MR. SAWHNEY OF AFC KNOW THE DETAILED STEPS REQUIRED AS A RESULT OF THEIR RECENT FERTILIZER PROCUREMENT IN THE UNITED STATES. YOU MAY WISH TO CONSULT THEM IN THIS REGARD. IF FOR ANY REASON YOU SHOULD NOT BE PREPARED TO ENTER INTO A CONTRACT BY MAY 31 OR TO ESTABLISH A LETTER OF CREDIT WITHIN FIVE
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WEEKS THEREAFTER, PLEASE LET US KNOW AND WE WILL BE HAPPY TO PROPOSE ALTERNATIVE ARRANGEMENTS FOR DELIVERING OUR COST PROPOSAL AND COMPLETING NEGOTIATIONS. WE ARE PREPARING A SUGGESTED CONTRACT HERE FOLLOWING THE ASIAN DEVELOPMENT BANK FORMAT.

4. WE ARE LOOKING FORWARD TO HEARING FROM YOU AT YOUR EARLY CONVENIENCE. UNQUOTE.

5. CHECCHI AND COMPANY HAS STATED TO MEPD THAT ASC

PERSONNEL DO NOT APPEAR TO BE FAMILIAR WITH U.S. CONSULTING RATES AND PRACTICES AND THAT CHECCHI FEARS THERE IS A POSSIBILITY THAT THEY COULD REACT PRECIPITOUSLY AND TURN TO A LESS QUALIFIED CANDIDATE

FROM A COUNTRY WITH LOWER RATES. THEREFORE CHECCHI WOULD LIKE TO REQUEST THAT THE EMBASSY RENDER THE FOLLOWING ASSISTANCE: (A) OFFER ASSISTANCE TO ASC

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

EXECUTIVES IN FAMILIARIZING THEMSELVES WITH THE RATES, TERMS, AND CONDITIONS OF U.S. TECHNICAL ASSISTANCE CONTRACTS. (B) FOLLOW UP ON ASC'S REACTION TO CHECCHI'S CABLE AND ITS DECISION CONCERNING THE CHECCHI OFFER TO COMMENCE CONTRACT NEGOTIATIONS IN KABUL NEXT WEEK. (C) EXTEND EMBASSY ASSISTANCE IN THE EVENT A CHECCHI NEGOTIATOR IS DISPATCHED TO KABUL.

6. CHECCHI WILL INFORM MR. JAMES WESCOTT, U.S. ALTERNATE DIRECTOR AT THE ASIAN DEVELOPMENT BANK, OF THE STATUS OF THIS MATTER. IT HAS CABLED JOHN STANDISH OF USAID MISSION IN KABUL AUTHORIZING THE RELEASE OF ITS AFC CONTRACT TO ASC. IT HAS ALSO REQUESTED THE GOOD OFFICES OF AFC AND DEPUTY MINISTER RAHEEM OF THE MINISTRY OF AGRICULTURE AND IRRIGATION. EMBASSY ASSISTANCE IN INFORMING CHECCHI THROUGH MEPD OF ASC REACTION TO CHECCHI CABLE AND IN OTHER MATTERS MENTIONED
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PAGE 04 STATE 110456

WILL BE MOST APPRECIATED. CHRISTOPHER

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

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Decaption Note:
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Disposition Case Number: n/a
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Disposition History: n/a
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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Subject: MAJOR PROJECT: AFGHAN SEED COMPANY PROJECT
TAGS: BENC, BAGB, AF
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22 May 2009
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